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World Production and Trade

United States Department of Agriculture
Foreign Agricultural Service
Washington, D.C. 20250

Weekly Roundup
WR 47-86
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ORIGINAL

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

EUROPEAN COMMUNITY Sells Wheat to BRAZIL. The European Community (EC) sold 125,000 tons of wheat to Brazil during the past two weeks; this compares to 51,000 tons for all of 1985/86 (July/June). Sales of 25,000 tons on October 30 and 100,000 tons on November 12 were made for $73.45 per metric ton, free on board (FOB), and $76.70-77.25 per ton, respectively, and are scheduled for December/January delivery. Since Brazil is committed to import 2 million tons under long-term trade agreements with Canada and Argentina out of a projected 3-million-ton total for 1986/87 (July/June), EC shipments may displace U.S. wheat shipments, which are currently forecast at 1 million tons.

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AUSTRALIA Sells Wheat to CHINA. Australia has sold 1.5 million tons of wheat to China for delivery between January and May 1987. This sale continues the recent upward trend in Australian wheat exports to China, which have virtually doubled from a 5-year average (1980/81-1984/85) of 1.4 million tons to the 2.7 million tons shipped in 1985/86 (July/June). Meanwhile, U.S. wheat exports to China have declined steadily from a peak of 8.7 million tons in 1980/81 (July/June) to 541,000 tons in 1985/86 (July/June), a 95-percent reduction.

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TAIWAN Signs Corn Agreement with SOUTH AFRICA. South Africa has agreed to supply Taiwan with 1.8 million tons of corn from January 1987 through December 1989. The return of South Africa to Taiwan's corn market may displace U.S. corn since the United States supplied virtually all Taiwan's corn for the past few years. Over the past three years, despite a similar agreement, South Africa was out of the export market because of poor crops while the United States provided Taiwan with about 3 million tons per year. When South Africa was last a major supplier (1981/82), U.S. exports were only 1.7 million tons.

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OILSEEDS AND PRODUCTS

U.S. Exports of Sunflowerseed to PORTUGAL Down. According to the head of Portugal's crushers association, no exports of U.S. sunflowerseed to Portugal are likely through March. The displacement of U.S. sunflowerseed by EC product (mostly French) is due principally to EC crushing subsidies. The U.S. agricultural attache in Lisbon reports that EC suppliers also can provide sunflowerseed in smaller lots which is advantageous to certain Portuguese crushers. This means that small lots of 2,000 to 3,000 tons per month can be purchased from the EC instead of 10,000-12,000 metric ton shipments from the United States. Portugal imported 205,000 tons of sunflowerseed from the United States in 1984, 100,000 tons in 1985, and is expected to import substantially less in 1986.

DAIRY, LIVESTOCK AND POULTRY

SOVIET Livestock Production Up. The U.S. agricultural attache in Moscow reported that meat production on state and collective farms in the USSR for January-October was 7 percent above the same period in 1985. Beef production was reported up 7 percent while pork increased 6 percent; a 10-percent increase was reported for poultry meat. Milk production rose 5 percent as a 6-percent increase in productivity more than offset a small decline in cows. Egg production was reported to be 7 percent above January-October 1985.

Cattle on state and collective farms on November 1 numbered 95.9 million head, 1.3 million above 1985. Cows were reported at 29.0 million head, down 0.3 million head. Hog numbers, at 62.2 million head, were 2.4 million above last year. Poultry numbers were essentially unchanged from year-earlier levels.

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U.S. Beef Dominates Recent JAPANESE Beef Tender. U.S. grain-fed beef accounted for the bulk of the Japan Livestock Industry Promotion Corporation's (LIPC) recent Simultaneous Buy and Sell (SBS) imported frozen beef tender of 6,633 tons. The U.S. share of these purchases has varied from 58 to 92 percent since the system began in 1985. The following table provides details on SBS tenders over that period. The SBS system allows buyers and suppliers to communicate directly in deciding product specifications and other transaction details which helps to tailor U.S. product to Japanese meat industry requirements that do not necessarily coincide with those of LIPC. LIPC, which controls 90 percent of all Japanese beef imports, allocates 10 percent of its annual beef quota to SBS. Japan is the major U.S. export market for high-quality beef, consistently taking over 75 percent of total U.S. exports.

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Japan: Simultaneous Buy and Sell for Imported Beef
Amount Tendered by Type and Market Share

Date of tender	Amount Tendered (MT)	Type of Beef 1/ Grain-fed (MT)	Grass Fed (MT)	Market Share Grain-fed (%)	Grass-fed (%)
02/20/85	5,911.1	3,662.7	2,248.4	62.0	38.0
Total JFY 84 2/	5,911.1	3,662.7	2,248.4	-	-
06/28/85	6,435.0	3,764.5	2,670.5	58.5	41.5
11/28/85	6,291.0	4,472.9	1,818.1	71.1	28.9
Total JFY 85 2/	12,726.0	8,237.4	4,488.6	-	-
07/02/86	6,813.0	5,714.9	1,098.1	83.9	16.1
10/28/86	6,633.0	6,131.2	501.8	92.4	7.6
Total JFY 86 2/	13,446.0	11,846.1	1,599.9	-	-

1/ Nearly all grain-fed beef in this tender comes from the United States, while almost all grass-fed beef is from Australia.
2/ April-March.

COTTON AND FIBERS

TURKEY Increases Import Surcharge on Cotton. The U.S. agricultural attache in Ankara reports that Turkey raised its customs tariff from $1 to $100 per metric ton for short and medium staple cotton. USDA data show no Turkish cotton imports for the 1960-1984 marketing years (MY). Some imports were reported toward the end of MY 1985, although none from the United States. However, U.S. export sales data show accumulated exports of 14,000 running bales to Turkey as of November 13 with outstanding sales of 26,500 running bales. During the week of November 7-13, Turkey was the major purchaser of U.S. cotton.

CREDIT NOTES

GSM-102 Actions Announced for IRAQ, JORDAN, CHILE and BRAZIL. USDA made an additional $15 million available so Iraq can buy more U.S. rice. Jordan's $55 million in credit guarantees will permit that country to buy wheat, rice and feed grains. Chile received $50 million in guarantees so it can purchase U.S. wheat and feed grains. USDA activated $20 million of Brazil's $380 million in credit guarantees so Brazil can satisfy immediate wheat import needs.

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GSM-103 Actions Announced for IRAQ and CHILE. USDA made available $12 million in credit guarantees so Iraq can buy U.S. tobacco. Chile's program is for $3 million worth of breeding livestock.

EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of Nov. 20, 1986, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS	
51. Gulf countries (Bahrain Kuwait, Oman, Qatar, United Arab Emirates) dairy cattle	Oct. 30, '86	1,500 head	
50. West Africa (Cameroon Cote d'Ivoire, Ghana, Togo) wheat	Oct. 30, '86	345,000	
49. Dominican Republic poultry	Oct. 29, '86	1,500	Sold 567
48. Philippines barley malt	Oct. 20, '86	60,000	Sold 25,000
47. Cameroon wheat flour	Oct. 14, '86	20,000	
46. Romania barley	Sept. 24, '86	200,000	Sold 125,000
45. Venezuela barley malt	Sept. 4, '86	100,000	
44. Cyprus barley	Aug. 26, '86	150,000	Sold 50,000
43. Canary Islands wheat	Aug. 8, '86	100,000	
42. Egypt semolina	Aug. 6, '86	30,000	Sold 15,000
41. Soviet Union wheat	Aug. 1, '86	4,000,000	EXPIRED
40. Canary Is. dairy cattle	July 28, '86	3,000 head	
39. Hong Kong table eggs	July 28, '86	44 million	
38. Senegal wheat	July 17, '86	100,000	COMPLETE
37. India vegetable oil	July 8, '86	25,000	
36. Jordan barley	June 17, '86	60,000	
35. Israel barley	June 17, '86	200,000	Sold 36,200
34. Tunisia dairy cattle	May 29, '86	4,000 head	
33. Algeria dairy cattle	May 29, '86	5,000 head	
32. Sri Lanka wheat	May 16, '86	125,000	Sold 75,000
31. Saudi Arabia barley	May 7, '86	500,000	COMPLETE
	Aug. 6, '86	250,000	COMPLETE
	Sept. 16, '86	300,000	COMPLETE
	Oct. 8, '86	200,000	COMPLETE (201,000)
30. Algeria barley	Apr. 17, '86	500,000	
29. Morocco dairy cattle	Apr. 16, '86	4,000 head	Sold 3,020
28. Turkey dairy cattle	Apr. 16, '86	5,000 head	
27. Egypt dairy cattle	Apr. 16, '86	6,000 head	COMPLETE
	Sept. 12, '86	10,000 head	Sold 80
26. Yemen poultry feed	Apr. 14, '86	150,000	
25. Yugoslavia wheat	Apr. 10, '86	200,000	COMPLETE
	June 24, '86	200,000	Sold 190,950
	Oct. 7, '86	500,000	

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

24.	Indonesia dairy cattle	Apr. 9, '86	7,500 head	COMPLETE
23.	Syria wheat	Apr. 8, '86	700,000	CANCELLED
22.	Benin wheat	Apr. 7, '86	45,000	Sold 30,000
21.	Algeria table eggs	Apr. 4, '86	500 million	
20.	Iraq dairy cattle	Apr. 4, '86	6,500 head	Sold 200
19.	Jordan wheat	Mar. 19, '86	75,000	COMPLETE
		June 20, '86	75,000	COMPLETE
18.	Tunisia wheat	Mar. 18, '86	300,000	COMPLETE
		Aug. 22, '86	800,000	Sold 250,000
17.	Algeria wheat flour	Feb. 25, '86	100,000	
16.	Algeria semolina	Feb. 11, '86	250,000	
15.	Philippines wheat	Jan. 7, '86	150,000	COMPLETE (152,400)
14.	Zaire wheat	Dec. 27, '85	40,000	COMPLETE
		May 15, '86	40,000	COMPLETE
		Oct. 17, '86	40,000	
13.	Nigeria barley malt	Dec. 10, '85	100,000	Sold 4,400
12.	Iraq wheat flour	Dec. 9, '85	150,000	Sold 100,000
11.	Egypt poultry	Nov. 26, '85	8,000	COMPLETE
		Mar. 21, '86	15,000	COMPLETE
		June 18, '86	5,000	COMPLETE
		July 8, '86	15,000	COMPLETE
10.	Zaire wheat flour	Nov. 18, '85	64,000	COMPLETE
		May 15, '86	30,000	Sold 15,000
9.	Philippines wheat flour	Nov. 15, '85	100,000	Sold 50,000
8.	Jordan rice	Nov. 8, '85	40,000	Sold 38,700
7.	Turkey wheat	Oct. 16, '85	500,000	COMPLETE (506,600)
		May 8, '86	500,000	
6.	Morocco wheat	Sept. 30, '85	1,500,000	Sold 890,000
5.	Yemen wheat	Sept. 6, '85	100,000	COMPLETE
4.	Yemen wheat flour	Aug. 20, '85	50,000	COMPLETE
		Apr. 14, '86	100,000	Sold 63,000 LT
3.	Egypt wheat	July 26, '85	500,000	COMPLETE
		Oct. 30, '85	500,000	COMPLETE (512,500)
		June 24, '86	500,000	COMPLETE
		July 29, '86	52,000	Sold 29,000
		Oct. 8, '86	1,000,000	
2.	Egypt wheat flour	July 2, '85	600,000	COMPLETE
		Aug. 6, '86	600,000	
1.	Algeria wheat	June 4, '85	1,000,000	COMPLETE
		Apr. 10, '86	1,000,000	Sold 249,000
		Nov. 10, '86	300,000	

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EXPORT ENHANCEMENT PROGRAM SUMMARY
Status as of Nov. 20, 1986

Announced to Date	16,352,438 (grain equivalent) 544 million table eggs 44,500 tons frozen poultry 52,500 head dairy cattle 25,000 tons vegetable oil
Sold to Date	5,915,459 wheat 1,292,622 flour (grain equivalent) 1,487,200 barley 20,550 semolina (grain equivalent) 39,199 barley malt (grain equivalent) 38,700 rice 43,567 frozen poultry 16,800 head dairy cattle
Total Sales Value:	$911.5 million
Estimated Bonus Book Value:	$524.1 million.

TARGETED EXPORT PROMOTION PROGRAM

No announcments were made under USDA's Targeted Export Promotion Program this week.

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Selected International Prices

Item	November 25, 1986		Change from a week ago	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	N.Q.	--	--	187.50
U.S. No. 2 DNS/NS: 14%....	137.50	3.74	-0.50	176.00
U.S. No. 2 S.R.W.	N.Q.	--	--	149.00
No. 3 H.A.D.....	N.Q.	--	--	169.00
Canadian No. 1 A: Durum...	155.00	4.22	-0-	N.Q.
Feed grains:				
U.S. No. 3 Yellow Corn....	84.50	2.15	-0.50	119.00
Soybeans and meal:				
U.S. No. 2 Yellow.....10/	201.00	5.47	-0.80	202.00
Brazil 47/48% Soya Pellets	179.00 10/	--	-22.00	189.50
U.S. 44% Soybean Meal.....	182.00	--	-0-	173.50
U.S. FARM PRICES 3/				
Wheat.....	88.18	2.40	-0.37	115.00
Barley.....	63.84	1.39	-2.30	67.52
Corn.....	62.20	1.58	+0.78	93.31
Sorghum.....	49.60	2.25 2/	-0.22	75.62
Broilers.....	1266.76	--	-9.70	1136.25
EC IMPORT LEVIES				
Wheat 5/.....	189.55	5.16	+1.75	116.05
Barley.....	181.55	3.95	+1.75	108.35
Corn.....	170.25	4.32	-0.50	87.80
Sorghum.....	172.35	4.38	+0.85	100.65
Broilers 4/ 6/ 8/.....	451.00	--	+2.00	238.00
EC INTERVENTION PRICES 7/ 9/				
Common wheat(feed quality)	189.35	5.15	+0.90	163.10
Bread wheat (min. quality)	198.65	5.41	+0.95	173.90
Maize.....	198.65	5.05	+0.95	163.10
Barley and all other feed grains, excluding maize.	189.35	--	+0.90	163.10
Broilers 4/ 6/.....	1505.00	--	-0-	1234.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	124.75	3.40	--	56.35
Barley.....	N.A.	--	--	70.45
Broilers 4/ 6/ 8/.....	363.00	--	+2.00	155.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ April delivery. N.A.=None authorized. N.Q.=Not quoted. Note: Basis December delivery.

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